

**OFFICIAL PROCEEDINGS  
OF THE COUNTY BOARD  
LAKE COUNTY, MINNESOTA**

Tuesday, February 26, 2019. Pursuant to due call and notice thereof, a regular meeting of the Board of County Commissioners of Lake County, Minnesota, was duly held in the Split Rock River Room at the Lake County Services Center, 616 Third Avenue, Two Harbors, Minnesota, on Tuesday, February 26, 2019, commencing at 2:00 p.m. County Commissioners Present: District 1 Commissioner Peter R. "Pete" Walsh, District 2 Commissioner Derrick L. "Rick" Goutermont, District 3 Commissioner Richard C. "Rick" Hogenson, District 5 Commissioner Rich Sve. County Commissioner Absent: District 4 Commissioner, Jeremy M. Hurd. Also present: County Administrator Matthew Huddleston and Laurel D. Buchanan, Clerk of the Board. Unless otherwise stated, all actions have been approved by unanimous yeas. Board Chairperson Rich Sve called the meeting to order and led the recitation of the Pledge of Allegiance.

MOTION WALSH, SECOND HOGENSON: 01 – Approval of the agenda. Absent: Hurd

Clerk of the Board Laurel Buchanan announced a change to the consent agenda. Environmental Services Director Christine McCarthy updated the Board of Commissioners on the Planning Commission public hearing regarding the proposed revocation of Interim Use Permit I-18-020, William "Andy" Fisher. At this point in time, the Planning Commission is not moving forward with revocation, and Mr. Fisher's permit is in good standing with Lake County.

Board Chairperson Rich Sve opened the floor for public comments for the Board of Commissioners' meeting. No public comments were made.

The Chair announced that the next order of business was consideration of the proposals which had been received for the purchase of the County's General Obligation Capital Improvement Plan Bonds, Series 2019A, proposed to be issued in the original aggregate principal amount of \$1,400,000.

The County Administrator presented a tabulation of the proposals that had been received in the manner specified in the Terms of Proposals for the Bonds. The proposals were set forth in EXHIBIT A attached to the proposed resolution. Ehlers and Associates, Inc. Financial Specialist Chris Mickelson provided and reviewed the Sale Day Report for Lake County, Minnesota. Bid results were reviewed. Mr. Mickelson explained the final debt service schedule. The Sale Day Report included Lake County's Standard & Poors Global Rating "A" with Developing Outlook. County Administrator Matthew Huddleston provided the updated proposed resolution.

After due consideration of the proposals, Commissioner Goutermont then introduced the following resolution and moved its adoption.

MOTION GOUTERMONT, SECOND HOGENSON: 02 – Adopt the Resolution Awarding the Sale of General Obligation Capital Improvement Plan Bonds, Series 2019A, in the Original Aggregate Principal Amount of \$1,400,000; Fixing their Form and Specifications; Directing their Execution and Delivery; and Providing for their Payment. Absent: Hurd

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner Hogenson, and upon vote being taken thereon, the following voted in favor thereof: Sve, Walsh, Goutermont, Hogenson; and the following voted against the same: none; and the following were absent: Hurd; whereupon said resolution was declared duly passed and adopted.

Board Chairperson Rich Sve recessed the Board of Commissioners' meeting at 2:23 p.m. The meeting was reconvened at 2:30 p.m. with all members present except for Commissioner Hurd.

Lake County Administrator Matthew Huddleston introduced the lodging sales tax discussion. Two Harbors Area Chamber of Commerce President Janelle Jones was present for the discussion. Ms. Jones has been lobbying for implementation of a lodging sales tax in Lake County. Ms. Jones discussed the tourism industry as a cornerstone of Lake County's economy – Taconite, Timber and Tourism. Board Chair Rich Sve asked County Commissioner Rick Goutermont about the history of the Board's discussions on a countywide lodging sales tax. The Board had been in support of communities collecting a lodging sales tax. County Commissioners discussed that Silver Bay and Two Harbors have their own implementation of lodging sales taxes. Neighboring counties have implemented lodging sales taxes. Ms. Jones cited statistics regarding revenue collected from lodging sales taxes in neighboring counties. The Cook County model for lodging sales taxes has proven to be successful in their communities. County Commissioner Goutermont would like to see Lake County follow the Cook County lodging sales tax model. Senator Bakk has drafted legislation for implementing a lodging sales tax in Lake County. Ms. Jones explained how the proposed lodging sales tax of 4% would be applied to all lodging sales in Lake County. 3% would be collected for marketing and 1% would be collected for events / festivals. Lake County could collect an administrative fee, and targeted percentages would go back into the communities.

Lake County will form a committee regarding implementing a lodging sales tax. County Commissioners Peter R. Walsh and Rick C. Hogenson volunteered to be on the committee, along with the County Administrator Matthew Huddleston. Lake County Auditor Linda K. Libal also volunteered to be on the lodging sales tax committee. Other county staff may be invited as needed, such as County Assessor and Environmental Services Department regarding rental sales made by vacation rental properties. Ms. Jones would like to see Advisory Committees formed for all communities in Lake County, regarding implementing a countywide lodging sales tax.

Mr. Huddleston updated the Board of Commissioners on several other items of county business. Regarding the sale of Lake Connections, with execution of the Amended Asset Purchase Agreement (APA), June 1 is the tentative closing date. Regarding the Lake County Highway Facility construction project; April 15 is the target move-in date. Lake County Information Technology (I.T.) Director Boris Naschansky was present for the discussion on the technology being installed in the new highway facility. Mr. Huddleston reviewed several Road and Bridge requests for board action, including four (4) resolutions for Local Road Improvement Plan (LRIP) project funding applications. Mr. Huddleston discussed a Cooperative Agreement with the Minnesota Department of Natural Resources (DNR) for Lake County to be the Lead Agency in Tree Clearing to take place at the Split Rock Lighthouse State Park Road and Campground. The timing of the tree clearing is important for the construction of the campground and for the Split Rock Wilds mountain bike trail. Mr. Huddleston also provided an update on the Facilities Department; courthouse remodel project grant report requirements have been submitted.

I.T. Director Mr. Naschansky reviewed several requests for board action on today's consent agenda, which include payment of several invoices and acceptance of a quote. Two invoices are from Minnesota Counties Information Systems (MCIS): for the iSeries Computing Server (AS/400) hosting set-up and migration fees, and for the quarterly amount for iSeries server hosting services for the first quarter of 2019. Another invoice is from Mid-America Business Systems for ApplicationXtender software licensing and annual support; used primarily by Lake County Health & Human Services (LCHHS) Department. One request is to accept a quote from Compudyne for Microsoft Windows Server Datacenter software licensing and Software Assurance support for a period of two years. The

amount for these two years is \$25,880.00; Mr. Naschansky anticipates that subsequent years will be invoiced at a lower rate. Mr. Naschansky gave a preview of technology that will be brought forward for board approval on March 12, 2019, for technology equipment to be installed in the Highway Facility meeting room and in the Split Rock River Room in the Lake County Service Center. Mr. Naschansky reviewed the capabilities of the 84" Interactive Touch Display, Windows10 Open Controller, Interactive Whiteboard Software and Collaboration Session software license.

Mr. Huddleston will be attending a Silver Creek Township Zoning meeting taking place this week. On March 12, 2019, a public hearing will be held for LCHHS public health department to present proposed revisions to Lake County Ordinance No. 7, Food & Beverage Ordinance. County Commissioners had questions about the proposed updates. Most of the updates are due to changes to the Minnesota Food Code. Lake County Environmental Health Specialist John Wiedner will be present to answer questions. County Commissioner Walsh left the meeting at 4:03 p.m.

Mr. Huddleston updated the Board of Commissioners on the LCHHS' request to participate in the Social Work intern program with University of Minnesota – Duluth (UMD) for LCHHS child protection area for the UMD 2019-2020 academic year. County Commissioner Walsh returned at 4:05 p.m. The intern program will be advertised for UMD social work program students to be able to apply and interview for the opportunity to intern at Lake County. Through this program, a student intern would work 10-15 hours a week (approximately two days a week) for a semester at Lake County. County Commissioners asked if this program would lay the groundwork for a larger policy for intern programs for other Lake County departments. This is a specific intern program through a specific higher education program for a specific county department. Lake County may form a policy committee for a broader concept for participation in intern programs.

Mr. Huddleston discussed that Lake County is trying to get information on the Boundary Waters reappraisal. We will need more detail to analyze the financial impact for 2020. Mr. Huddleston asked the Board of Commissioners for feedback on the county department annual updates. County Commissioners have appreciated this dialogue and communication and the opportunity to hear about what is going on in the departments, what goals we are working on, and for updates on specific issues. County Commissioners would be interested in hearing from the rescue squads.

Lake County Auditor Linda Libal was present to answer any questions on her requests for board action for Lake County to declare its intent to act as fiscal agent for MCIS beginning January 1, 2020. Ms. Libal provided updates that her department has been working on this month.

MOTION HOGENSON, SECOND WALSH: 03 – Approve Consent Agenda as amended:

1. Approve County Board of Commissioners' meeting minutes from February 12, 2019.
2. Approve the Public Hearing meeting minutes from February 12, 2019, on submission of a Small Cities Development Program (SCDP) application by Lake County, Minnesota.
3. Approve and authorize the Board Chair to sign the 2019 Minnesota Department of Natural Resources (DNR) Firewise Community Grant application.
4. Authorize Lake County to act as Fiscal Agent for MCIS (Minnesota Counties Information Systems) beginning January 1, 2020. Annual fee for 2020 to be \$20,000. Annual fee will be reviewed yearly and presented to MCIS.

5. Authorize Lake County Auditor-Treasurer to inform MCIS (Minnesota Counties Information Systems) of intent to act as Fiscal Agent beginning January 1, 2020.
6. Authorize Lake County Auditor-Treasurer to coordinate meetings and discussions between Lake County Auditor-Treasurer staff, Cass County Auditor-Treasurer staff, MCIS staff and Lake County IT staff as needed.
7. Authorize payment to Duluth Lawn & Sport in the amount of \$14,212.85 for a 2019 Polaris 800 S/B Assault Snowmobile (Quote No.6916). This will be paid for out of the Stone Garden Grant.
8. Approve the purchase from Ranger Chevrolet for one (1) 2019 Chevrolet Tahoe patrol vehicle, and to make payment upon delivery for the total amount not to exceed \$36,525.50.
9. Authorize payment to St. Louis County (Invoice # IN-00000088) in the amount of \$9,783.00 for 2018 Recycling Services at the Fall Lake Township Transfer Facility.
10. Approve and authorize the Lake County Board Chair to sign the Amended Agreement to Provide Services between Lake County and Kerry and DuWayne Larson, for the period of February 1, 2019 through December 31, 2019.
11. Approve the appointment of Jan O'Donnell as the Chair of the Lake County Public Health Task Force effective January 1, 2019, for a one-year term.
12. Approve the appointment of Karen Saari as the Chair of the Lake County Local Mental Health Task Force, effective January 1, 2019, for a one-year term.
13. Approve the appointment of Jan O'Donnell and Karen Saari to the Lake County Health and Human Services Advisory Committee, effective January 1, 2019, for a one-year term.
14. Approve the appointment of Susan Hilliard as Chair and Marlys Wisch as Vice Chair of the Lake County Health and Human Services Advisory Committee, effective January 1, 2019, for a one-year term.
15. Approve the appointment of the following to the North Shore Collaborative's Joint Powers Board, effective January 1, 2019, for a one-year term: Beth Peterson, Arrowhead Economic Opportunity Agency; Mike Wilsey, Arrowhead Regional Corrections; David Mills, Cook County Board; Dan Shirley, Cook County School Board; Saprina Matheny, Human Development Center; Dan Rossow, Accend Services; Peter Walsh, Lake County Board; Tom Burns, Lake Superior School Board; Rebecca Deschampe, Grand Portage Tribe.
16. Approve and ratify the North Shore Collaborative Bylaws, which were revised and approved by the North Shore Collaborative Board on February 6, 2019.
17. Approve and authorize the Lake County Board Chair and Health and Human Services Director to sign the End User License Agreement between Lake County and Tech Tronix, Inc., for a period of one-year.
18. Authorize payment in an amount not to exceed the budgeted amount of \$10,600.00 to Tech Tronix, Inc., for the "EH Manager" Environmental Health Inspection program.

19. Adopt the findings of the Planning Commission for Marguerite Cutchey, I-19-002.
20. Adopt the findings of the Planning Commission for Mike and Ann Guldan, I-19-001.
21. Authorize payment in the amount of \$7,161.00 to Lake States Construction Inc., invoice number 7767 for repair to aerial plant caused by storm damage on 1/2/19-1/3/19 and 1/9/19.
22. Authorize payment in the amount of \$36,177.75 to Cooperative Light & Power, invoice Lake Connections 2019, 725160-2019 for 2019 pole rental.
23. Authorize payment in the amount of \$11,153.87 to Consolidated Telephone Company, invoice INV-3402, for January trouble tickets, February commissions, payroll, and miscellaneous shipping charges.
24. Approve Resolution authorizing Local Road Improvement Program (LRIP) application for Highway 3 improvements in 2020.
25. Approve Resolution authorizing Local Road Improvement Program (LRIP) application for 8<sup>th</sup> Street reconstruction in 2021.
26. Approve Resolution of support for City of Silver Bay Local Road Improvement Program (LRIP) application for East Lakeview Drive.
27. Authorize Highway Engineer to sign Knife River sanitary sewer extension permit with conditions upon Highway Department approval of plans and specifications.
28. Approve Highway Department payment of Invoice 530085980 in the amount of \$6,011.16 to Pomp's Tire for restocking tires.
29. Authorize repair of Unit 5921 (1992 Caterpillar grader) by Ziegler in an amount up to \$7,305.36.
30. Approve purchase of Highway Maintenance Facility shop shelves from Northshore Steel, Inc. in an amount up to \$12,000.00.
31. Approve interdepartment transfer from Road & Bridge to Solid Waste in the amount of \$5,375.00 for 2018 demolition waste.
32. Authorize Forestry Department to begin working four 10-hour shifts per week, beginning Monday, March 4<sup>th</sup>, 2019, and ending Friday, November 1<sup>st</sup>, 2019.
33. Authorize payment in the amount of \$27,620.00 to Minnesota Counties Information Systems (MCIS Invoice No. 1636) for iSeries Computing Server (AS/400) hosting set-up and migration fees.
34. Authorize payment in the quarterly amount of \$2,365.00 (\$9,460 annually) to Minnesota Counties Information Systems (MCIS Invoice No. 1637) for iSeries server hosting services for the first quarter of 2019, which began December 15<sup>th</sup>, 2018 per the agreement approved by County Board of Commissioners on October 12, 2016.

35. Authorize payment in the amount of \$13,686.18 to Mid America Business Systems (Invoice No. 745292) for ApplicationXtender software licensing and annual support; used primarily by Health & Human Services.
36. Accept Compudyne Quote No. COMQ29157 for Microsoft Windows Server Datacenter software licensing and Software Assurance support for a period of two years; authorize subsequent payment to Compudyne in an amount not to exceed \$25,880.00.
37. Authorize purchase of one reconditioned Tennant floor sweeper (Tennant Recon) to maintain the new highway department truck bay floors in the amount of \$8,250.00.
38. Authorize Board Chair to sign Department of Natural Resources cooperative agreement for Split Rock Lighthouse Road and Campground tree clearing.
39. Amend Board of Commissioners' meeting minutes of February 12, 2019, Motion 02 Item 18: "Approve Highway Maintenance Facility Hon chairs (through University of Minnesota contract U42.210) in an amount up to \$3,753.30 from Northern Business Products."
40. Approve Resolution of support for Fall Lake Township Local Road Improvement Program application for Cloquet Line. Absent: Hurd

MOTION WALSH, SECOND GOUTERMONT: 04 – Approve the change in employment status of John Denney, Appraiser, due to completion of probation effective March 3, 2019. Absent: Hurd

MOTION HOGENSON, SECOND GOUTERMONT: 05 – Approve the probationary appointment of David Cizmas, Forester, at the Step 3 rate of \$26.51 per hour effective March 25, 2019. Absent: Hurd

MOTION GOUTERMONT, SECOND WALSH: 06 – Authorize purchase of Highway Maintenance Facility fluids distribution system in an amount up to \$79,665.84 from O'Day Equipment, LLC. Absent: Hurd

MOTION WALSH, SECOND GOUTERMONT: 07 – Adjourn County Board of Commissioners' meeting at 4:29 p.m. Absent: Hurd

The Lake County Board of Commissioners will convene for the following meetings to be held in the Lake County Service Center, Split Rock River Room, 616 Third Avenue, Two Harbors, Minnesota.

- The agenda meeting scheduled for 2:00 p.m. on Tuesday, March 5, 2019, has been cancelled due to lack of quorum.
- A regular meeting will be held at 2:00 p.m. on Tuesday, March 12, 2019.

ATTEST:

Laurel D. Buchanan  
Clerk of the Board

Rich Sve, Board Chairperson  
Lake County Board of Commissioners